

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:52

ANSWERED ON:28.02.2008

HIKE IN THE PRICES OF PETROLEUM PRODUCTS

Karunakaran Shri P.;Satheedevi Smt. P.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether there is an increase in the price of petrol/petroleum products in the country;
- (b) if so, the details and the reasons therefor;
- (c) the international price of petrol per barrel and the domestic cost of petrol per litre;
- (d) the import/export duty imposed on one litre of petrol and diesel;
- (e) whether the increase in the international price of petrol has become a source of income for the Government; and
- (f) if so, the total earning of the Government on petro-products through the import duty and the increase in the price during the last three years?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a)to(f): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No. 52 by Adv. (Shrimati) P. Satheedevi and Shri P. Karunakaran to be answered on 28th February, 2008 regarding hike in the prices of petroleum products.

(a)&(b): The international prices of crude oil and petroleum products have remained high and volatile. In April 2007, the Indian basket was \$ 65.5 per barrel, which rose to \$ 89.5 per barrel in January 2008 and is currently at its highest level of \$ 94.96 per barrel (on 20.2.2008). As India imports about 3/4ths of its crude requirements to service the domestic demand for petroleum products, international oil prices play an important role in domestic pricing. As passing on the entire impact of the steep increase in the oil prices to the consumers would have resulted in hardship to the common man, the retail selling prices of petrol, diesel, PDS Kerosene and domestic LPG have not been increased in tandem with the international oil prices. The Public Sector Oil Marketing Companies (OMCs) are incurring under-recoveries on domestic sale of sensitive petroleum products namely petrol, diesel, PDS kerosene and domestic LPG.

In this context, the Government has made a marginal increase in petrol and diesel prices by Rs. 2/litre and Re. 1/litre respectively with effect from 15.2.2008, which is actually in the nature of a restoration of retail prices to the price level operating before February, 2007. Despite the steep increases in international oil prices, the Government has not increased the prices of PDS Kerosene during the last six years. The price of Domestic LPG has remained unchanged during the last three years. The Government is closely monitoring the international oil prices and will continue to protect the interests of consumers.

(c): The international prices of petrol per barrel and retail selling price per litre of petrol at Delhi are given below:

Average International Price of \$ per barrel 100.66

Petrol for Feb'08
(upto 19th Feb.)

Retail Selling Price (RSP) Rs./Litre 45.52

of petrol at Delhi

Note: International Price of Petrol is for Singapore market.

(d): The Custom duty applicable on petrol and diesel is as under:

Petrol
DIESEL

Custom Duty
7.50% 7.50%

(e)&(f): The amount of customs duty paid by the Public Sector Oil Companies during the last three years is given below: Rs./crores
2004-05 2005-06 2006-07 Customs Duty 11697915710043